

**FIVE-YEAR IMPLEMENTATION PLAN
FOR THE
GILLESPIE FIELD REDEVELOPMENT PROJECT AREA
(Fiscal Years 2005-06 through 2009-10)**

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**REDEVELOPMENT AGENCY OF THE COUNTY OF SAN DIEGO
FIVE-YEAR IMPLEMENTATION PLAN
FOR THE
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(Fiscal Years 2005-06 through 2009-10)**

SECTION A

OVERVIEW

1. Introduction

The Redevelopment Plan for the Gillespie Field Redevelopment Project Area was adopted by Ordinance No. 7399 (New Series) by the Board of Supervisors on July 7, 1987, and by Ordinance No. 4036 of the El Cajon City Council on July 14, 1987. Health and Safety Code section 33490 requires adoption of an implementation plan at five-year intervals for each redevelopment project. This is the third implementation plan for the Gillespie Field Redevelopment Project, covering FY 2005-06 through FY 2009-10.

This Five-Year Implementation Plan for the Gillespie Field Redevelopment Project Area was prepared and adopted pursuant to California Community Redevelopment Law (CRL; Health and Safety Code Sections 33000 et seq.).

Health and Safety Code Section 33490 requires the implementation plan to contain information on:

- Specific goals and objectives of the Redevelopment Agency of the County of San Diego for Gillespie Field Redevelopment Project Area;
- Specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years; and
- An explanation of how goals and objectives, programs, and expenditures will eliminate blight in the Project Area and implement low- and moderate-income housing requirements of the CRL.

Section A of this Five-Year Implementation Plan includes specific goals and objectives, projects and expenditures and information regarding elimination of blight within the Project Area. Section B provides information regarding low- and moderate-income housing requirements and implementation of those requirements for the Gillespie Field Redevelopment Project.

2. Specific Goals and Objectives of the Agency for the Project Area

The Gillespie Field Redevelopment Project Area is a contiguous area of approximately 746 acres located at Gillespie Field Airport in the City of El Cajon. The Project Area is adjacent to unincorporated territory. Existing airport operations and fixed based operators occupy about 342 acres within the Project Area. (See Exhibit A.)

General Project Goals and Objectives

The Gillespie Field Redevelopment Project was established with the goal of alleviating deterioration and stagnation of the Project Area. Those problems were attributable

primarily to inadequate public improvements, public facilities and utilities, and secondarily to existence of buildings and structures which were unfit or unsafe for occupancy due to age, deterioration, and dilapidation.

A major goal of the Redevelopment Project is to facilitate industrial and commercial development, which will generate a substantial number of permanent jobs, and thereby assist in correcting population/employment imbalance in East County.

The Redevelopment Plan for the Gillespie Field Redevelopment Project Area identifies the following objectives:

- Elimination of Project Area physical and economic blight conditions, and prevention of recurring blight in and around the Project Area.
- Elimination of substandard structures through rehabilitation or demolition.
- Elimination of health and safety hazards detrimental to the general welfare of the community.
- Development of property in a manner ensuring industrial, commercial and public facilities in the Project Area are consistent with goals, policies, objectives, standards, guidelines and requirements in the City of El Cajon's adopted General Plan and Zoning Ordinance and in the Gillespie Field Master Plan.
- Elimination of circulation problems impacting vehicular traffic and limiting productive use of properties within the Project Area.
- Improvement of inadequate public utilities, infrastructure and facilities that limit or prevent development proposed under the Gillespie Field Master Plan.
- Provision of other public facilities as necessary and required for redevelopment of the Project Area.
- Encouragement and promotion of employment opportunities to benefit unemployed, underemployed and low- and moderate-income persons, and enhance the economic strength and diversity of the community.
- Promotion of productive and efficient land use to improve and increase the tax base.
- Mitigation of environmental deficiencies, including elimination of unstable slope conditions to allow safe development and protect adjacent off-site residential development, and protection of environmentally sensitive resources in the Project Area.
- Enhancement of Gillespie Field Airport to ensure a wide range of general aviation services in the East Suburban Urbanized Area.

3. Major Projects Completed and Specific Programs and Expenditures Proposed to be Made During the Next Five Years

The Gillespie Field Redevelopment Project Area includes six sub-areas targeted for redevelopment activity: Site 1, Site 2, Site 3, Site 5, Site 6 and Cuyamaca West (see Exhibit A). (Site 4, which is comprised of a small area of land in Santee, was eliminated from the Redevelopment Plan prior to adoption.) Details regarding each site are provided below. A Master Plan Update for the entire project area is currently underway.

SITE 1 is a 42-acre triangular area, which abuts existing airport uses including the main runway to the north and airport-related uses across Marshall Avenue to the east. The Forester Creek Flood Channel follows the site's southwestern boundary.

Projects Completed

Improvement of Forester Creek Channel was identified as a major project for this site. This was accomplished in FY 1993-94 by a cooperative agreement between the County Airport Enterprise Fund and Metropolitan Transit Development Board (MTDB). In conjunction with MTDB's extension of its light rail transit system from El Cajon to Santee, the channel was concrete lined to handle the 100-year flood. The light rail transit line provides improved public access to the site via a stop within the Redevelopment Project Area. In FY 1999-00 MTDB constructed a controlled crossing over the trolley tracks near the intersection of Weld and Cuyamaca. Completion of Forester Creek improvements eliminated a major impediment to future development of Site 1.

Full development of Site 1 was also contingent upon extension and realignment of Marshall Avenue. In FY 1999-00 Marshall Avenue roadway improvements were completed, as well as installation of a box culvert, storm drains, street lighting, landscaping and utilities in public right-of-way necessary to serve existing and future project area tenants. This project was completed earlier than anticipated due to the City of El Cajon's participation in funding roadway improvements as well as an Economic Development Administration grant. Bond monies and an Airport Enterprise Fund loan provided funds for the Redevelopment Agency's contribution to this project.

After the Marshall Avenue extension was completed, the Federal Aviation Administration determined that the 12-acre area to the west of the extension must be used for aviation-related businesses and support services instead of industrial. No development has taken place in this area. However, during FY 2002/2003 on the northeast side of Marshall, La Jolla Investments, Inc., site of Allen Airways Museum, completed construction of 43,000 square feet of aircraft storage spaces.

Proposed Program and Expenditures

A Request for Proposals was issued for the southeast corner of Weld and Cuyamaca (Trolley Corner) in FY 2004/2005. The County is currently negotiating with a developer to lease this area and build a commercial/office building. However, the building size and a timeline for construction have not been determined for this project.

On the northeast side of Marshall Avenue, La Jolla Investments, Inc. is developing plans for additional aviation related improvements on their leasehold.

No further Agency expenditures or programs are anticipated for Site 1 within the next five years.

SITE 2 covers 70 acres in the southeast corner of the Project Area. Joe Crosson Drive bounds it on the west and Airport Drive on the north. At the site's northern end, a small area containing the airport administration building extends west of Joe Crosson Drive. The main runways are located to the north of this site across Airport Drive; airport-related uses are located to the west.

Projects Complete

Improvements to the Broadway West Channel, an earthen channel originating from the east and running along the southern perimeter of the Project Area adjacent to Site 2 was identified as a major project for this site. Additionally, the improvement and expansion of streets and utilities, and the addition of sidewalks, street lighting and landscaping were included in the Redevelopment Plan. No projects have been completed for Site 2 because it is currently under a lease expiring in August 2005. In the meantime, in FY 04/05 a Preliminary Phase I Hazardous Materials Assessment Report was completed on the site. The report found several areas of interest. A Phase II follow-up assessment was initiated to determine the extent of potential contaminated areas and will result in a corrective action plan. The Phase II assessment will be completed by the end of the current fiscal year.

Proposed Program and Expenditures

The demolition and cleanup of Cajon Speedway and motocross track will be completed in FY 05/06. Security fencing will also be installed around the site. Improvements to the Broadway West Channel are anticipated during the five-year Implementation Plan period, as well as construction of streets, utilities, sidewalks, street lighting and buildings. It is anticipated that Site 2 improvements will be funded with a combination of Airport Enterprise Fund and developer contributions

An FAA directed change of development use for Site 2 from aviation / industrial to aviation only is mandating a Master Plan update for Gillespie Field. All demolition, clean-up work and installation of common use infrastructure is consistent with the present Gillespie Field Master Plan. However, construction of hangars and other buildings will require the completion of the new Master Plan to comply with FAA directives and environmental law. Therefore, hangar and other building construction will not commence until after the new Master Plan has been approved by the San Diego County Board of Supervisors and accepted by the Federal Aviation Administration. The new Master Plan is expected to be completed in FY 06/07.

No additional Agency expenditures or programs are anticipated for Site 2 within the next five years.

SITE 3 is a 33-acre site occupying the northeast corner of the Project Area. Runways bound it on the south and west. The San Diego Aerospace Museum Annex and several newer hangars for aircraft storage front Kenney Street on the site's eastern half.

Projects Completed

Improvements originally planned for Site 3 included removal of derelict building foundations and extension of public improvements (sidewalks, landscaping and street lighting) along Kenney Street. Since the Redevelopment Plan was adopted, a private fixed-base operator has undertaken significant development on this site including jet aircraft hangars, repair facilities, a fuel storage facility and jet aircraft tie-down areas. Demolition of building foundations and construction of planned public improvements have been accomplished as part of this private development. The final phase of this development was completed in FY 2003/04.

Proposed Program and Expenditures

No additional Agency expenditures or programs are proposed for Site 3 within the next five years.

SITE 5 occupies 46 acres in the northwest corner of the Project Area. It is bordered on the east by Cuyamaca Street and on the south by Weld Boulevard. The area is gently rolling but slopes steeply upward near its western boundary. The site is impacted by airport related noise, and its northern two-thirds lies within the airport Limited Crash Hazard Zone. The site contains a County maintenance facility and golf driving range.

Projects Completed

The Redevelopment Plan identified a number of major improvement projects within Site 5, including improving a section of Forester Creek to accommodate the 100-year flood, making drainage improvements and modifying a bridge at Cuyamaca Street. Extensive grading, erosion control and the installation of sidewalks, lighting, upgrading utilities and landscaping were also identified.

As detailed previously in discussion of Site 1, improvement of Forester Creek Channel was accomplished in FY 1993-94 through an agreement with Metropolitan Transit Development Board in conjunction with light-rail transit system extension.

In 1998 a Redevelopment Agency-funded Economic Feasibility Analysis of developable industrial properties within the Redevelopment Project Area was conducted. The analysis concluded Site 5 is best suited for industrial buildings, noting traffic on Cuyamaca Street was inadequate to support development of other types of usage such as hotels or businesses requiring substantial vehicular drive-by traffic.

Proposed Program and Expenditures

This site contains approximately 40 acres including areas currently under short-term agreements to County Operations and a golf-driving range. The County issued a Request for Proposals for this area in FY2003/04 and as a result, entered into an Exclusive Negotiation Agreement for the development of an office/industrial park on

this site. The project is being designed to contain approximately 550,000 square feet of office, R&D/industrial and warehouse space. Construction will take place in four phases. Construction of Phase I is expected to begin in FY 2006/07. Currently, the entire project is scheduled to be completed in FY 2011/12. It is anticipated that the County Operations Center will remain in its current location until construction of the fourth phase of this project commences. No additional Agency expenditures or programs are proposed for Site 5 within the next five years.

SITE 6 is the smallest site in the Project Area. It consists of 25 acres located south of Billy Mitchell Drive and east of Cuyamaca Street. A significant portion of Site 6 is occupied by two major manufacturing businesses, Chem-tronics and Carpenter Technologies.

Projects Completed

Since adoption of the Redevelopment Plan, Chem-tronics has accomplished a number of industrial improvements. They include construction of a new 40,000 square foot manufacturing building and access road, renovation of an older 14,600 square foot building, demolition of some older structures and construction of a new employee parking lot. Perimeter landscaping and a wrought iron fence have also been installed on street frontage of this leasehold, greatly improving property appearance.

Proposed Program and Expenditures

Improvement of Forester Creek Flood Channel described previously under Site 1 improvements has corrected potential flood hazard to which portions of this site were formerly subjected. No additional Agency expenditures or programs are proposed for Site 6 in the next five years.

CUYAMACA WEST is the largest of the six sites, covering 146 acres in the Project's southwest corner. It is bounded on the north by Weld Boulevard and on the east by Cuyamaca Street.

Projects Completed

Significant improvements have been made to this site, resulting in private leasehold development of an industrial park known as Gillespie Field Business Park. Redevelopment Agency improvements included extensive grading activity, including buttressing of slopes, and construction of a street system, utility improvements (sewer, water, electrical), street lighting, sidewalks, landscaping and an irrigation system.

Agency improvements were accomplished in two phases. Phase 1 construction, which was completed in FY 1989-90 utilizing loans from Airport Enterprise Fund, made 11 industrial lots available for private sector development. Phase 2 infrastructure improvements, which were financed with funds from a Redevelopment Agency bond issue and loans from the Airport Enterprise Fund, provided 17 lots for development. Approximately 1400 jobs were created as a result of development of the Cuyamaca West project area. All 17 lots, consisting of approximately 32 net acres of developable land, were optioned for long-term lease under an agreement approved

by the Board of Supervisors on May 20, 1997. The options were exercised for all 17 lots prior to October 1, 2000, and leases were signed with the County. The developer completed a total of 13 buildings on 15 of the parcels, with some parcels being combined to accommodate larger needs.

During FY 2003/04 a new two-story building was completed on Lot 21 in Cuyamaca West Unit II. During FY 2004/05, construction of a 17,104 square foot industrial building was completed on Lot 12.

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Proposed Program and Expenditures

Two 2-story commercial/industrial buildings are to be constructed on Lot 15-3 in Cuyamaca West Unit II during FY 2005/06.

No additional Agency expenditures or programs are proposed for Cuyamaca West within the next five years.

4. How Goals And Objectives, Programs And Expenditures Will Eliminate Blight And Implement Redevelopment Housing Requirements

Elimination of Blight

Goals and objectives of the Gillespie Field Redevelopment Plan are directed at reversing deterioration and stagnation of the Project Area by facilitating private development of industrial, commercial and aviation uses. These uses in turn will create permanent employment opportunities in a part of the San Diego region, which needs a better jobs/housing balance.

The Redevelopment Project is designed to eliminate existing blight, and forestall future blight, by addressing problems of inadequate public improvements, public facilities and utilities, and by causing demolition or rehabilitation of buildings and structures which are unfit or unsafe to occupy.

Projects and expenditures anticipated from FY 2005-06 through FY 2009-10 are aimed at eliminating blight within Sites 1,2 and 5, by providing public utilities and infrastructure and addressing blighting conditions from the flooding threat to Site 2. As previously noted, no further Agency activity is anticipated on other sites during this implementation plan period.

SITE 1

Site 1 was subject to flood hazard prior to improvement of Forester Creek Channel. Additionally, inadequate access to the northwestern portion of Site 1 and limited infrastructure contributed to blighting conditions prior to extension and realignment of Marshall Avenue, installation of a drainage channel box culvert and enlargement and

realignment of a sewer line. These improvements now permit maximum land utilization of the property in the future.

SITE 2

Site 2 is subject to flood hazard due to inadequate capacity of Broadway West Channel. Structures used for Cajon Speedway and motocross, debris littering Site 2 and inadequate public improvements contribute to blight within the Redevelopment Project area. These factors currently preclude future productive property use. Airport Enterprise Fund and developer improvements and expenditures during this Implementation Plan period will eliminate potential flood problems posed by a 100-year flood, eliminate debris, provide improved streets, utilities, sidewalks and street lighting and enable full development of the property.

SITE 5

Site 5 was also subject to flood hazard prior to improvement of Forester Creek Channel. Remaining conditions contributing to blight within this site include erosion problems, inadequate public improvements and inadequate access. These factors currently preclude productive and economically viable property use. Developer improvements during this Five-Year Plan period will address these problems by: a) providing improved streets, utilities, sidewalks and street lighting; b) creating proper access to the site; and, c) fully developing lots, thereby contributing to the regional economy and providing employment opportunities for the local workforce.

5. Low- and Moderate-Income Housing

When the Redevelopment Plan was adopted, Redevelopment Law required 20% of tax increment allocated to a Redevelopment Agency from a project area be used for low- and moderate-income housing, unless a finding (under Section 33334.2(a) of the Health and Safety Code) was made that set-aside of funds were not needed. In 1987, the Agency made a finding by resolution that the San Diego community was making a substantial effort to meet its existing and projected housing needs and, therefore, the Agency was exempt from 20% housing set-aside requirement.

Subsequent legislative changes to the Community Redevelopment Law related to the 20% housing set-aside requirement dictated that Agency participate in setting aside 20% of the Gillespie Field Project Area tax increment for low- and moderate-income housing. This resulted in FY 1998-99 establishment of a low- and moderate-income housing fund into which 20% of gross tax increment is deposited. Information regarding low- and moderate-income housing requirements and Agency implementation for the Project Area is detailed in Section B.

SECTION B

LOW- AND MODERATE-INCOME HOUSING

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LOW- AND MODERATE-INCOME HOUSING

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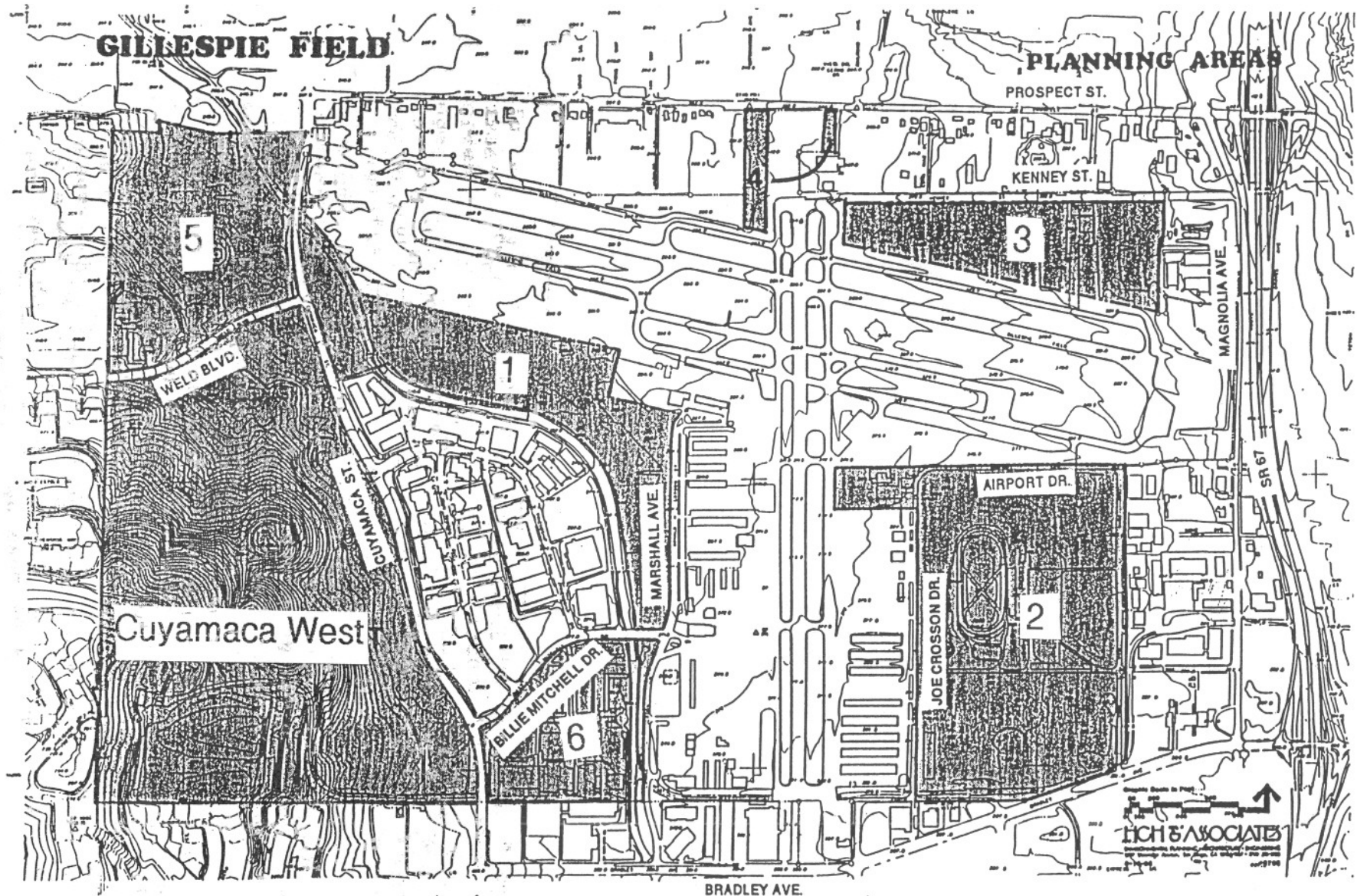
1. Introduction

Pursuant to requirements of CRL Section 33490, the Five-Year Implementation Plan for the Gillespie Field Redevelopment Project Area must also describe the Agency's low- and moderate-income housing programs. This section complies with that requirement and sets forth the Agency's program for ensuring not less than 20 percent of all taxes allocated to the Redevelopment Agency of San Diego County for the Gillespie Field Project Area shall be used for purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing. This Housing Plan accomplishes the following:

- Forecasts estimated number of dwelling units to be developed or substantially rehabilitated by the Agency over the next five years.
- Provides an estimate of revenues the Agency will receive for funding construction and rehabilitation of affordable housing.
- Provides a Housing Plan to ensure requirements of Health and Safety Code Sections 33334.2, 33334.4, and 33334.6, and 33413 are met in the next five years.
- Explains how this Housing Plan is consistent with the Housing Element in the San Diego County General Plan.

UPDATE TO THIS SECTION IS BEING COMPLETED BY HOUSING AND COMMUNITY DEVELOPMENT.

EXHIBIT A GILLESPIE FILED REDEVELOPMENT PROJECT AREA



- e 1: A 42-acre triangular area which abuts existing airport uses including the main runway to the north and airport-related uses across Marshall Avenue to the east.
 - e 2: Covers 70 acres in the southeast corner of the Project Area. It is bounded by Joe Crosson Drive on the west and Airport Drive on the north.
 - e 3: A 33-acre site occupying the northeast corner of the Project Area. It is bounded by runways on the south and west.
 - e 4: A small area of land in Santee, was eliminated from the Redevelopment Plan prior to adoption.
 - e 5: Occupies 46 acres in the northwest corner of the Project Area. It is bordered on the east by Cuyamaca Street and on the south by Weld Boulevard.
 - e 6: Consists of 25 acres located south of Billy Mitchell Drive and east of Cuyamaca Street.
- Cuyamaca West Site** covers 146 acres in the Project's southwest corner. It is bounded on the north by Weld Boulevard and on the east by Cuyamaca Street.